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T.R.A. DOCKET ROOM

City of Chattanooga

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Chattanooga, Tennessee 37402

AREA CODE (423) 757-5338 Fax: (423) 756-0737 Michael A. McMahan Phillip A. Noblett Kenneth O. Fritz Ann Shaffer D. Marty Lasley Jennifer T. Flowers Special Counsel

December 1, 2004

Via Fascimile: 615-741-5015 Ms Sharla Dillon, Docket Manager Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, Tennessee 37243

Re: Petition of Tennessee American Water Company to Change and Increase Certain Rates and Charges So As to Permit It to Earn a Fair and Adequate Rate of Return on Its Property Used and Useful in Furnishing Water Service to Its Customers, Docket No. 04-00288

Dear Sharla.

Attached is a single copy of the responses and objections from the City to the first set of Discovery Requests from Tennessee American Water. As we discussed on the phone today, I will overnight the original copy to you and it should arrive by 8:30 a.m tomorrow.

Thank you for your assistance in this matter and please feel free to contact me at the listed numbers if you have any questions.

Sincerely,

Shannon P. Bielcik

(for Michael A. McMa

(for Michael A. McMahan)

Legal Secretary

SPB

Enclosures

IN THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

IN RE:

PETITION OF TENNESSEE-AMERICAN
WATER COMPANY TO CHANGE AND
INCREASE CERTAIN RATES AND CHARGES
SO AS TO PERMIT IT TO EARN A FAIR AND
ADEQUATE RATE OF RETURN ON ITS
PROPERTY USED AND USEFUL IN
FURNISHING WATER SERVICES TO ITS
CUSTOMERS.

DOCKET NO. 04-00288

ANSWER TO FIRST SET OF DISCOVERY REQUESTS FROM THE CITY OF CHATTANOOGA TO TENNESSEE AMERICAN WATER

DISCOVERY REQUEST NO. 1:

State each fact that you rely on to support your contention(s), position(s) or belief(s) that any of the request(s) for relief, including any increase in rates, made by TAWC in TRA Docket No. 04-00288 should not be approved by the Tennessee Regulatory Authority ("TRA").

RESPONSE:

Objection. The procedural order in this matter provides that Direct Testimony is not due until January 11, 2005. This discovery request seeks information that the City is not required to develop until that date. This information has not in fact been developed by the City of Chattanooga and therefore cannot be answered at this time. Without waiving its objection, the City will supplement its responses to this request as the information sought becomes available.

DISCOVERY REQUEST NO. 2:

Identify all persons known to you, your attorney, or other agent who have knowledge, information or possess any documents(s) or claim to have knowledge, information or possess any

documents(s) which support your answer to Interrogatory number one (1) above.

RESPONSE:

See response to No. 1

DISCOVERY REQUEST NO. 3:

Identify each document, photograph, or any other article or thing whatsoever, which you rely on to corroborate any part of your contention(s), position(s) or belief(s) that any of the request(s) for relief, including any increase in rates, made by TAWC in TRA Docket No. 04-00288 should not be approved, whether as the issues of credibility or any other issue, or which is adverse to these same contention(s), position(s) or belief(s).

RESPONSE:

See response to No. 1

DISCOVERY REQUEST NO. 4:

With respect to each person you expect to call as a witness, including any expert witness, regarding this matter, state or provide:

a. the witness's full name and work address:

RESPONSE:

See response to No. 1. The City has not retained an expert witness at this time

b. each subject matter about which such witness is expected to testify;

RESPONSE:

See response to No. 4(a)

c. the substance of the facts and opinions to which any expert is expected to tesity,

RESPONSE:

See response to No.4(a)

d. a summary of the grounds or basis of each opinion to which such witness is expected to testify;

RESPONSE:

See response to No. 4(a)

e whether or not the expert has prepared a report, letter or memorandum of his findings, conclusions or opinions;

RESPONSE:

See response to No. 4(a)

f. the witness's complete background information, including current employer, educational, professional and employment history, and qualifications within the field in which the witness is expected to testify, and identify all publications written or presentations made in whole or in part by the witness;

RESPONSE:

See response to No. 4(a)

g. an identification of any matter in which the expert has testified (through deposition or otherwise) by specifying the name, docket number and forum of each case, the dates of the prior

testimony and the subject of the prior testimony, and identify the transcripts of any such testimony.

RESPONSE:

See response to No. 4(a)

h. the identity of any person with whom the witness consulted or otherwise communicated in connection with his expected testimony;

RESPONSE:

See response to No. 4(a)

i. the terms of the retention or engagement of each expert including but not limited to the terms of any retention or engagement letters or agreements relating to his/her engagement, testimony, and opinions as well as the compensation to be paid for the testimony and opinions,

RESPONSE:

See response to No. 4(a)

j. the identify of all documents or things shown to, delivered to, received from, relied upon, or prepared by any expert witness, which are related to the witness' expected testimony in this case, whether or not such documents are supportive of such testimony, including without limitation all documents or things provided to that expert for review in connection with testimony and opinions; and

RESPONSE:

See response to No. 4(a)

k the identity of any exhibits to be used as a summary of or support for the testimony or opinions provided by the expert.

RESPONSE:

See response to No 4(a)

DISCOVERY REQUEST NO. 5:

Provide any and all documents identified or specified in your answers or responses to the discovery requests served upon you in this matter.

RESPONSE:

See response to No. 1

DISCOVERY REQUEST NO. 6:

Provide any and all documents and things relied upon by any City witness in submission of testimony in this matter.

RESPONSE:

See response to No. 1

DISCOVERY REQUEST NO. 7:

Provide any and all expert reports which have been obtained from any expert.

RESPONSE:

See responses to No. 1 and No 4(a)

DISCOVERY REQUEST NO. 8:

Provide each document, photograph, or any other article or thing whatsoever, upon which you rely in support of your contention(s), position(s) or belief(s) that any of the request(s) for relief, including any increase in rates, made by TAWC in TRA Docket No. 04-00288 should not be approved.

RESPONSE:

See response to No. 1

DISCOVERY REQUEST NO. 9:

Provide in electronic media and in hard copy all work papers and other documents generated by or relied upon by all City witnesses.

RESPONSE:

See response to No. 1

DISCOVERY REQUEST NO. 10:

Please produce a copy of all trade articles, journals, treatises and publications of any kind in any way utilized or relied upon by any of City's proposed expert witnesses in evaluating, reaching conclusions or formulating an opinion in the captioned matter.

RESPONSE:

See response to No. 1 and 4(a)

DISCOVERY REQUEST NO. 11:

Please produce a copy of all articles, journals, books or speeches written by or co-written by any of the City's expert witnesses, whether published or not.

RESPONSE:

See responses to No. 1 and 4(a)

DISCOVERY REQUEST NO. 12:

Please produce any and all documentation, items, reports, data, communications and evidence of any kind that City intends to offer as evidence at the hearing or to refer to in any way at the hearing.

RESPONSE:

See response to No. 1

DISCOVERY REQUEST NO. 13:

Please produce copies of any and all documents referred to or relied upon in responding to these discovery requests.

RESPONSE:

See response to No. 1

DISCOVERY REQUEST NO. 14:

Please identify each person who provided information or participated in the preparation of the responses to each of these discovery requests, and for each such person specify the responses to which he or she provided information or participated in preparing, and describe the information provided or the participation preparation.

RESPONSE:

See response to No. 1

Respectfully submitted,

CITY OF CHATTANOOGA, TENNESSEE RANDALL L. NELSON, CITY ATTORNEY

MICHAEL A. McMAHAN (BPR #810)

Special Counsel

801 Broad Street, Suite 400

Chattanooga, TN 37402

(423) 757-5338

(423) 756-0737 (facsimile)

CERTIFICATE OF SERVICE

This is to certify that I have this day served a copy of the above and foregoing pleading upon counsel of record by facsimile or depositing same in the United States mail with adequate postage affixed thereto, addressed as follows.

R. Dale Grimes
T.G. Pappas
BASS, BERRY & SIMS, plc
AmSouth Center
315 Deaderick Street, Suite 2700
Nashville, TN 37238-3001

Timothy C. Phillips, Esq.
Assistant Attorney General
Office of the Attorney General
Consumer Advocate & Protection Division
P.O. Box 20207
Nashville, TN 37202

Henry M. Walker, Esq.
Boult, Cummings, Conners & Berry, PLC
414 Union Street, Suite 1600
Nashville, TN 37219

David C. Higney, Esq. Grant, Konvalinka & Harnson, P.C. 633 Chestnut Street, 9th Floor Chattanooga, TN 37450 This the 1st day of December, 2004.

MICHAEL A. McMAHAN